ANNEXURE A

THE ADMINISTRATOR
10713354

10/3/2/2
2/9/2

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING

LEFAPHA LA MMUSO WE SELAHAE MATLO

UMNYANGO WEZOHULUMENI BASEKHAYA KANYE NOWEZINDLU

Clr Marti Wenger
Executive Mayor
Midvaal Local Municipality
P O Box 9
Meyerton
1960

Dear Clr Wenger

COMMENTS ON MIDVAAL LOCAL MUNICIPALITY'S REVIEWED INTEGRATED DEVELOPMENT PLAN (IDP) FOR 09/10 FINANCIAL YEAR

The Department of Local Government and Housing (DLGH) wishes to congratulate the municipality for the timeous preparation, review and adoption of the final Integrated Development Plan (IDP) for the 09/10 financial year and its subsequent submission for commenting in line with Section 32 of the Municipal Systems Act 32 of 2000. The department further wishes to express appreciation to the municipality for its continuous cooperation and active participation in efforts, through the July-to-July roadmap, aimed at strengthening joint planning and budgeting among the three spheres of government in the pursuit of a globally competitive Gauteng. IDP engagements continue to be a vital platform for intergovernmental alignment and harmonization.

In terms of Section 32 (2) of the MSA, I have concluded that there are no issues requiring amendment in the IDP. However, as part of an ongoing effort to ensure inter-governmental alignment as well as the effective delivery of the developmental mandate of local government, several issues are hereby brought to your attention for consideration in future planning and budgeting. The 2009/10 financial year marks the end of the 2004-2009 term, the beginning of the 2009-2014 mandate term of provincial and national government; and the mid-term of local government. It represents a moment of interregnum, continuity and change; requiring at times adjustments and revisions to systems, strategies, and priorities.

These comments are therefore structured in three distinct but interlinked sections. The first section highlights key generic issues affecting all municipalities which continue to require attention so as to effectively deliver on the 2006 electoral mandate of local government. This will be followed by a brief outline of the municipal-specific issues, pertinent for elevation in your municipality. Having

Department of Housing, 37 Sauer Street/ No 63 Fox Street, Johannesburg 2001. Private Bag X 79, Marshalltown 2107
Tel: (011) 355–4000. Fax: (011) 834-3670. Internet website: www.housing.gpg.gov.za/ www.dlg.gpg.gov.za

MIDVAAL LOCAL COUNCIL
21 SEP 2009
P.O. BOX 9, MEYERTON, 1960

set the background, the last component of the letter will then unpack the new provincial and national priorities, which, along with the priorities emanating from the 2006 electoral mandate, must guide planning and budgeting henceforth.

SECTION 1: DELIVERING ON THE 2006 ELECTORAL MANDATE - KEY GENERIC ISSUES

- **Poor inter-municipal planning:** The establishment of the Global City Region (GCR) observatory and academy are but a few examples pointing to the fact that Gauteng is forging ahead with the GCR vision. A critical ingredient of the GCR is the willingness and ability of municipalities to plan together. However inter-municipal planning, both at the service delivery and local economic development levels remains poor, even among the metros which constitute the economic triangle within the GCR footprint. As an intervention, a process and platform should be set in place, with the assistance of office of the Premier, to (a) explore possible areas of common interest, (b) develop agreement on programme design, project prioritization, resource allocation, and sequencing of interventions (one space economy), and (c) monitor implementation.

- **Planning for migration:** Gauteng is the smallest province in South Africa in terms of land area, yet the most populous with the biggest economy of the country - attractive to both local and foreign migrants. One of the consequences of this dynamic is the surge of informal settlements, particularly in economic hubs. IDPs continue to be silent on any initiatives put in place by municipalities to plan for migration in relation to, among others, service delivery and growth targets. Planning and budgeting must therefore henceforth account for moving targets; future requirements in service delivery and infrastructure as well as housing, at a regional context (outflows and inflows).

- **Access to land:** For a number of projects and interventions, the issues of availability and/or acquisition of land within the targeted municipal space are consistently cited as a critical hampering factor. IDPs point to limited understanding of patterns of ownership, challenges of affordability where it should be purchased, and time lags in transfers. As a critical factor in the production of the built environment and fixing of economic activity in space, bottlenecks of land availability and acquisition should be unlocked. Linked to this, a number of municipalities are confronted by challenges of land evictions and/or land invasion. Both of these are part of the contributing factors towards the surge of informal settlements whose service backlog is growing. As an intervention, audits & strategies should be synergised at an intergovernmental level (provincially coordinated); land use management systems need to be implemented in a manner that reorientates land development patterns in line with national, provincial and local strategic priorities. Lastly efforts should be in place to exploit all acquisition mechanisms available maximally and to draw linkages between land restitution (claims) process and land development priorities.

- **Millennium Development Goals & investment in maintenance:** The United National Millennium Development Goals (MDGs) continue to serve as a vital target which municipalities should consistently aim to meet in the delivery of services. Closely linked with addressing the MDGs is ensuring that informal settlements receive the required attention. More specifically, there is a need to move from the 2009 formalisation target to the 2014 eradication target. This entails a shift towards housing interventions in line with the in-situ upgrading and/or relocation approaches as set out in the formalisation phase. Moreover, there is a need for increased percentage investment in infrastructure maintenance as failure to do so will perpetuate backlogs.

- **Energy:** South Africa is currently experiencing a very severe energy crisis manifested both in the power outages as well as rising fuel prices. In responding, it will be vital for municipalities to understand the crisis not in electricity-specific terms but to adopt a more holistic understanding, which will enable the development of interventions that can address the crisis in its many dimensions. As part of seeking alternative sources of energy, it will be important that there be efforts aimed at contributing to the reversal of heavy reliance on fossil fuels (non-renewable) through the identification of alternative renewable and clean energy sources (wind, solar, etc).

  Other interventions should include a reduction in emissions towards a low carbon economy and reduced energy consumption. An integrated and efficient public transportation system, preferably with an increase in rail usage as well as enhanced access to energy by poor households will also be vital to address the energy crisis. All of these are efforts that will require multi-stakeholder cooperation as they cannot be delivered by local government single-handedly. Municipalities must therefore lead this initiative by lobbying other stakeholders in ensuring that these interventions are effected within their respective municipal spaces. The draft Gauteng Integrated Energy Strategy, recently completed, provides a framework around which to structure energy initiatives and a starting point from which municipalities will be able to engage stakeholders on energy-related issues.

- **Clean Audits:** The Minister of Cooperative Governance and Traditional Affairs has recently launched operation clean audit, whose aim is to ensure that all of government obtains clean audits by 2014. This is yet another pointer to the commitment to ensuring good financial management and viability. Six of the 15 municipalities in Gauteng have received unqualified audit opinions. Whilst there is a national target of achieving clean audits by 2014 the province is working towards obtaining this by 2010. Thus municipalities must work closely with DLGH which, in collaboration with the South African Chartered Accountants (SACA), will be putting measures in place to ensure (a) The Improvement in the functionality of audit committees and oversight committees in municipalities, (b) Rolling out the implementation of Section 79 Committees in municipalities, (c) Strengthening the functionality of the Municipal Public Accounts Committees

(MPAC), (d) Implementation of information technology (IT) solutions in municipalities to support areas such as document management systems which is critical for audit purposes.

- **War on Poverty:** In the bid to build a just and humane society, government has embarked on a number of initiatives to alleviate poverty and local government has a critical role to play in this regard. Significantly, municipalities must utilise instruments such as indigent policies to mitigate the impact of poverty within communities. To this effect, municipalities are encouraged to embark on indigent-register-updating initiatives, central to which will be an outreach programme aimed at identifying all indigent households within the municipal space, thus ensuring that the relevant citizens are correctly registered and receive aid.

- **Agricultural Development**: Agriculture continues to be a critical sector of our economy. Large scale agricultural development initiatives are critical both as a source of food security and a stimulus of local economies. Local government must thus continue to explore competitive and comparative advantages in the agricultural sector and exploit these to boost local economic development. Furthermore, agricultural development should be explored as a source of food security in the bid to reverse the frontiers of poverty (Also see bullet 4 in section 3 below).

SECTION 2: MUNICIPAL-SPECIFIC ISSUES

As part of the drive towards the delivery of the 2006 mandate, below is a summary of some of the key issues directly affecting the municipality and thus requiring attention with regards to future planning:

- **Unemployment and Skills development**: It is noted with concern that the unemployment rate in previously disadvantaged townships and informal settlement remains high. The IDP reports that about 85 % of the unemployed in the Sicelo Shiceka informal settlement have qualifications lower than grade 12. Predominant skills in areas such as the Sicelo Shiceka informal settlement are reported to be in the construction industry which mainly provides only temporary employment. Recognizing this limitation, the second phase of Extended Public Works Programme (EPWP) has a specific emphasis on sustainable skills development. The municipality is encouraged take advantage of the EPWP to aid bridge the dichotomy between skills development and job creation. Furthermore the municipality should ensure that companies involved in projects within the municipality give special preference to employing and skilling the local population.

- **Pollution:** Despite the existence of environmental plans, by-laws and other legislation applicable to environmental health, big industries continue to violate these laws by polluting the air and water through river dumping. Although these industries are the backbone of the local economy their infractions cannot be left

unattended given the challenges that they pose. The municipality should therefore ensure that applicable by-laws are enforced and those found responsible for polluting the environment be made to account accordingly.

- **Waste Removal:** While costly, waste-management is essential to the MLM for the effective delivery of services. This function is transport and labor intensive and can therefore provide opportunities for the MLM to involve and empower its citizens. To offset the costs, the municipality should establish strategic partnerships with key stakeholders by means of outsourcing some elements of certain operations so as to share the management and operational responsibility of waste removal in the MLM.

- **Informal settlements:** It is noted that many informal settlements situated on agricultural holdings and farms do not have access to free basic services. Since these settlements cannot be formalized as they are located on privately owned land, it is vital for the municipality to engage these land owners to solicit alternative mechanisms of ensuring that farm dwellers receive access to basic services.

SECTION 3: NEW PROVINCIAL AND NATIONAL PRIORITIES

Effective integration, coordination and alignment of the actions of government's three constitutive spheres remains a central ingredient in the quest to provide basic services to all, progressively improve the quality of life, as well as to eradicate the dualistic nature of the South African economy. Launching the new MTSF, the National Planning Minister Trevor Manuel points out that "....Integrated Development Plans of municipalities and the Provincial Growth and Development Strategies of provinces will need to take into account the priorities identified in the MTSF, thus bringing us closer to the ideal of integrated and aligned planning across the three spheres of government". Within this milieu, municipalities need to therefore take heed of the following new priorities in relation to future planning:

- **Building a developmental state**: Build an effective and accountable state and active citizenship (improve citizen feedback); focus on improving the capacity and efficacy of the state (through the planning commission, vision 2025 and utilizing the spatial development framework as an instrument for joint planning and alignment); improve the delivery and quality of public service (single public service to be finalized, improve technical skills in critical areas of basic service delivery and develop a core set of indicators); development of a common dataset; integrate and monitor the work of State Owned Enterprises (SOEs); finalize the powers and functions review; unqualified audit opinions for municipalities in the province and build partnerships and strengthen democratic institutions (strengthen the work of community development workers (CDWs)).

- **Accelerated growth, decent work and sustainable livelihoods:** The MTSF places emphasis on improved support systems and structures (i.e. infrastructure, training, regulations, marketing support, and finance) for economic activities with potential to create work. Other interventions may include sourcing mineral processing and extraction diversification for export; accelerated (fast-tracked) public work schemes (construction, community work, cultural activities); support for lead sectors (automobile, chemical, metal fabrication, tourism, clothing and textile, forestry, light manufacturing and construction) and focus areas with growth potential to promote the production of capital and intermediate goods; rural development and agrarian reform and integrated and sustainable urban development.

- **Building economic and social infrastructure:** To be anchored in a detailed and upcoming integrated infrastructure development strategy; the infrastructure investment programme aimed at increasing the access, quality and reliability of public services will be a central pillar to development; create a strengthened role for Development Finance Institutions and the private sector in project financing; build, renew and maintain electricity infrastructure (generate, distribute, and reticulate) towards self-sufficiency and alternative sources of energy; improve logistics infrastructure (with an emphasis on increasing rail usage); develop accessible, efficient, reliable and affordable public transport infrastructure; the Land Use Management Bill (which will also assist in addressing land-related challenges raised in section 1) is soon to be finalised in line with the sustainable human settlements formation programme and addressing basic services targets (water, electricity, sanitation) as well as the maintenance of existing infrastructure.

- **Comprehensive rural development strategy, land and agrarian reform, and food security:** Spatially differentiated (understand areas of economic potential and poverty concentrations and the National Spatial Development Perspective (NSDP) is likely to be reviewed); fast-track land reform; provide institutional support (incl. water harvesting, irrigation schemes, implements and inputs); shielding valuable agricultural land; ensure 60% satisfaction of food requirements through own production by 2014; improve rural transport (including logistics); skills development (develop rural further education and training (FETs) centers and agricultural colleges); rural town revitalization (develop a rural nodal system and the neighbourhood development partnership grant (NDPG) is to be extended to rural towns); improve light manufacturing, tourism and cultural work opportunities in rural areas and develop cooperatives in rural areas (including a one-stop shop to provide all the necessary support for cooperatives).

- **A strengthened skills and human resource base:** Improve the quality of outcomes through enhanced educator and management skills and improve learning environments (including the provision of adequate infrastructure) from early childhood development (ECD) centers to Higher Education and FETs.

- **Improved health profile of the country:** Improve access and quality (in relation to infrastructure, human resources, shortened response times, etc). A National Health Insurance system will be phased in.

- **Intensified fight against crime and corruption:** Municipalities to develop and implement anticorruption strategies. A possible review of the Community Policing Forums (CPFs) to transpire.

- **Building cohesive, caring and sustainable communities:** The provision of comprehensive social assistance and social insurance (social transfers, unemployment insurance fund (UIF), basic services, etc); development and strengthening of community organizations (school governing bodies (SGBs), street committees, CPFs, etc) and nation-building.

- **Sustainable resource management and use:** Climate change, biodiversity loss and the energy crisis structure the context; build local energy manufacturing capacity; creation of green jobs (e.g. wildlife management, waste services, ecosystems rehabilitation etc.); creation of an incentives & disincentives regime for environmental protection and biodiversity conservation; water for growth and development strategy; climate change mitigation strategies and considering the triple bottom-line. In the Gauteng case, water is already a scarce resource (with predictions of exhaustion of the resource by as early as 2013), making the sustainable use and efficient management of water resources an urgent priority.

- **DLGH Priorities:** Enhanced participatory democracy (review of CDW programme, resource ward committees and put in place effective feedback mechanisms); improve revenue collection system; the need to develop and enforce by-laws and improved service delivery.

In line with the varied elements and dimensions to the priorities above, all of government (including municipalities) will have to embark on, where necessary, revising their plans and strategies to give effect to these priorities. The latter will include, among others, redesigning systems and processes, re-prioritise programmes and projects, and reallocation of resources to ensure the attainment of the objectives of these new priorities.

Conclusion

Building an effective developmental state and a cohesive and caring society will require a collective effort from all spheres of government. The IDP continues to serve as a critical instrument through which the developmental agenda of government will be pursued. To this effect, IDP processes continue to provide a valuable platform for inter-governmental alignment and joint planning, a critical requirement for the success of government initiatives.

To this effect, the Department of Local Government and Housing commits to continue to put measures in place towards ensuring joint planning and budgeting among all spheres of government. Your cooperation and active participation in this regard will ensure progress towards making the IDP a plan of all government in addressing the above stated priorities and the subsequent delivery of integrated services, thereby delivering on the developmental mandate of government.

Yours Sincerely

Mulekgoro

Mr. KGAOGELO LEKGORO, MPL
MEC: Department of Local Government and Housing
Date: 15.09.2009

CC: Municipal Manager: Midvaal Local Municipality
Director General: Office of the Premier
Head of Departments: All GPG Departments

For further information, please contact
Mr. Mongezi Mnyani
Acting HOD: Department of Local Government and Housing
Tel: (011) 355 4230
Fax: (011) 838 8973
Cell: 082 602 5358
Email: mongezi.mnyani@gauteng.gov.za